

THE OBAMA ADMINISTRATION'S FISCAL YEAR 2010 BUDGET PROPOSAL

The President is required to submit to Congress a proposed budget. Although this budget does not have the force of law, it is a comprehensive examination of federal revenues and spending, including any initiatives recommended by the President, and is the start of extensive interaction with Congress. On Thursday, February 26, 2009, President Obama delivered a \$3.6 trillion Fiscal Year 2010 Budget proposal to Congress.

There are important government programs that must be funded in order to meet the needs of the many beneficiaries that rely on them. But difficult times call for difficult decisions. We need to find solutions that will require everyone to have "skin in the game" – a simple concept that requires all of us to understand that we cannot afford to have EVERYTHING. Like families across the nation, now is the time for the government to trim back spending. By doing so, we can reduce some of the burden on the American family so that they can keep the doors open on their small business, pay escalating healthcare costs, continue to afford their mortgage, or maybe even pay upcoming college tuition.

President Obama's FY 2010 Budget (dollars in billions)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Outlays	3,938	3,552	3,625	3,662	3,856	4,069	4,258	4,493	4,678	4,868	5,158
Revenue	2,186	2,381	2,713	3,081	3,323	3,500	3,675	3,856	4,042	4,234	4,446
Deficit	1,752	1,171	912	581	533	570	583	637	636	634	712
Deficit as % of GDP	12.3%	8.0%	5.9%	3.5%	3.0%	3.1%	3.0%	3.2%	3.0%	2.9%	3.1%

information provided courtesy of the House Budget Committee, Republican Staff

FY2010 Funding by Department

Agriculture \$26 billion
 Commerce \$13.8 billion
 Defense \$533.7 billion
 Education \$46.7 billion
 Energy \$26.3 billion
 Health & Human Services \$76.8 billion
 Homeland Security \$42.7 billion
 HUD \$47.5 billion
 Interior \$12 billion
 Justice \$26.5 billion



Labor \$13.3 billion
 State & Misc. Inter. Programs \$51.7 billion
 Transportation \$72.5 billion
 Treasury \$13.3 billion
 Veterans Affairs \$55.9 billion
 EPA \$10.5 billion
 NASA \$18.7 billion
 National Science Foundation \$7 billion
 Small Business Administration \$700 million
 Social Security Administration \$11.6 billion

CONCERNS WITH PROPOSED BUDGET

- Increases total spending to \$3.9 trillion in 2009 -- or 27.7% of GDP -- the highest Federal spending has been as a share of GDP since World War II.
- Increases the national debt by \$2.7 trillion this year to \$12.7 trillion, requiring another increase in the debt limit, just increased to \$12.1 trillion in the stimulus bill.
- Increases entitlement spending by \$1 trillion over the next decade.
- Allows the death tax to spring back to life in 2010 by preventing the estate tax repeal from taking effect as scheduled under current law.
- Contains \$1.4 trillion in tax increases, many of which will affect small businesses across the country – businesses that create 60%-70% of new jobs each year.
- Includes a \$250 billion contingency fund for 2009 for further financial rescue, a clear warning that U.S. banks may need substantially more aid. This would come on top of the \$700 billion that Congress has already allocated to the Treasury and could be leveraged to support \$750 billion in asset purchases. This provision increases the deficit projection from a record \$1.5 trillion to \$1.75 trillion.
- Reserves \$634 billion for a yet-to-be-announced healthcare plan; and
- By the Office of Management and Budget's (OMB) estimates, the President's Budget would increase the FY 2009 deficit by \$540 billion, an amount greater than the deficit in any year in the country's history and nearly triple the amount of the entire deficit produced in the last year (\$162 billion in FY 2007).